

00707

DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

FILE: E-185999

DATE: October 8, 1976

MATTER OF: Cecil W. Foss

DIGEST: Reimbursement of "loan origination fee" representing only items which are reimbursable under FTR para. 2-6.2 is allowable, to extent reasonable and customary, even though claim lacks specific itemization of portion of fee allocable to each reimbursable item.

This action is in response to a request dated February 25, 1976, from Ms. Orris C. Huet, Authorized Certifying Officer, United States Department of Agriculture, for a decision on the propriety of certifying for payment of a voucher submitted by Mr. Cecil W. Foss for reimbursement of a "loan origination fee" paid in connection with the purchase of his residence incident to his change of official station in the continental United States.

The claim for reimbursement of the "loan origination fee" in the amount of \$370 was disallowed by the Department of Agriculture in view of the prohibition of Federal Travel Regulations (FPMR 101-7), para. 2-6.2d (May 1973) against reimbursement of finance charges under the Truth in Lending Act, Title I, Public Law 90-321. However, the claimant has reclaimed this amount with a supporting statement from the vice president of the lending institution, explaining, in part, that:

"Although this bank does not itemize all the individual expenses necessary to the closing of a transaction such as this, the \$370.00 fee paid by purchaser covers the following items:

- "1. * * *
- "2. Cost of preparing deeds.
- "3. Costs of preparing conveyances, contracts and other documents necessary to closing this real estate transaction.
- "4. Escrow agent's fee.
- "5. Closing agent's fee.

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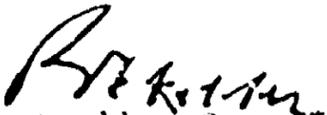
"This fee does not include any charges for advisory services, mortgages, discounts, prints, financial charges, insurance or taxes."

The items listed above are not part of a finance charge within the meaning of the Truth in Lending Act and are reimbursable under FTK, para. 2-6.2. See B-170007, July 13, 1970. However, the certifying officer questions the propriety of payment of the claim because the claim lacks specific itemization of what portion of the fee is allocable to each item.

Since the fee represents only items which are reimbursable under FTR para. 2-6.2, it is unnecessary to determine what portion of the fee is allocable to each item. A determination must be made, however, that the charge is reasonable in the light of customary charges of the area. Cf. B-184599, September 15, 1975; B-176663, February 20, 1973.

Action on the voucher, returned herewith, should be taken accordingly.

Deputy


Comptroller General
of the United States